

# Supplemental Environmental Projects The Basics

## SEPs

Supplemental Environmental Projects (SEPs) are projects that benefit the environment or public health, funded through environmental enforcement actions. Most enforcement settlements include monetary penalties and in some cases, a SEP may be used to mitigate a portion of a penalty.



### SEPs:

- Are voluntary.
- Create measurable environmental or public health impacts.
- Benefit the geographic area impacted by the violation.
- Do not require a media nexus (for example, an air violation settlement may include a SEP to benefit water quality).

## SEP categories

- Public health
- Environmental assessments
- Pollution prevention or reduction
- Environmental education or training
- Environmental restoration or protection

Details and examples are available on this SEP website.

## First-party SEP

*A project within a regulated entity's own facility*

These projects typically include a mitigation ratio of 1.5:1 or greater. For example, if the total cost to implement a SEP is \$15,000, the entity may receive up to \$10,000 in penalty mitigation. Mitigation ratios are determined by the department on a case-by-case basis.

**A SEP may not be any project that a regulated entity has previously initiated, budgeted for, committed to or is legally required to implement.**

# SEPs

## Third-party SEP

*A donation to a non-profit or government organization for the implementation of a project*

These projects typically include a mitigation ratio of 1:1. **SEP donations are not tax-deductible.** Projects must be well-defined (general donations do not qualify).

## Getting Started

### For Regulated Entities:

If you are a regulated entity interested in doing a SEP, discuss it with your department enforcement case person. A written SEP proposal is required before CDPHE can consider a SEP for approval. The SEP Proposal Form is available on the website. CDPHE must approve a SEP in writing before an entity can receive credit to offset some portion of a penalty.

The department SEP Coordinator can assist you through this process and answer general SEP-related questions. The coordinator also maintains the SEP Idea Library, a list of specific third-party SEP ideas you may be interested in reviewing.

### For Government Entities or Nonprofits Seeking SEP Funding:

CDPHE accepts project ideas from interested third parties to be included in our internal Supplemental Environmental Project Idea Library. Projects are kept for two years for consideration in future enforcement cases. All project ideas are screened for compliance with the CDPHE SEP Policy and there are no guarantees that any project will be selected. If a regulated entity is interested in funding a specific project idea, the SEP Coordinator will contact the entity proposing the idea and may request a full project proposal form with additional project details. (link: [SEP Idea Form](#))

For more information, contact:

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